

**Senate File 2088 - Introduced**

SENATE FILE 2088

BY CHELGREN

**A BILL FOR**

1 An Act relating to funding for highways and other roads by  
2 providing for the elimination of the road use tax fund  
3 and establishing a road use tax fund elimination study  
4 committee, and including effective date provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 4.1, subsection 9, Code 2011, is amended  
2 by striking the subsection and inserting in lieu thereof the  
3 following:

4 9. "Highway" means a major thoroughfare between two  
5 communities.

6 Sec. 2. REPEAL. Chapter 312, Code and Code Supplement 2011,  
7 is repealed.

8 Sec. 3. ROAD USE TAX FUND ELIMINATION STUDY COMMITTEE. It  
9 is the intent of the general assembly to end the current  
10 practice of using moneys which are dedicated for the  
11 construction, maintenance, and supervision of the public  
12 highways pursuant to Article VII, section 8, of the  
13 Constitution of the State of Iowa, for roads that do not meet  
14 the definition of "highway" in section 4.1, as amended by this  
15 Act.

16 1. The legislative council shall establish a study  
17 committee for the 2012 and 2013 legislative interims to  
18 identify issues that will need to be addressed upon the repeal  
19 of chapter 312, as provided in this Act, and to consider  
20 new policies and options for addressing those issues. The  
21 membership of the committee shall be as follows:

22 a. Four members of the senate, two appointed by the majority  
23 leader of the senate and two appointed by the minority leader  
24 of the senate.

25 b. Four members of the house of representatives, two  
26 appointed by the speaker of the house of representatives  
27 and two appointed by the minority leader of the house of  
28 representatives.

29 c. One member appointed by the governor.

30 d. The director of transportation or the director's  
31 designee.

32 e. The treasurer of state or the treasurer's designee.

33 f. The director of revenue or the director's designee.

34 g. One person selected by the board of directors of the Iowa  
35 league of cities.

1 h. One person selected by the Iowa state association of  
2 counties.

3 2. In conjunction with identifying issues to be addressed  
4 upon elimination of the road use tax fund, the committee shall  
5 consider the impact of a new highway and road funding policy  
6 on the budgeting practices of the department of transportation  
7 and local governments; optional sources of funding for the  
8 construction, maintenance, and supervision of roads that do  
9 not qualify for highway funds; new policies for the separate  
10 management and disbursement of highway funds and funds for  
11 other roads; statutory amendments that will be required to  
12 conform to the repeal of chapter 312 and to accomplish the  
13 transition to separate funding of highways and roads that do  
14 not qualify as highways; and any other matters deemed relevant  
15 by the committee.

16 3. The committee shall make a written report of its  
17 preliminary findings and recommendations to the general  
18 assembly by December 31, 2012. The committee shall make a  
19 written report of its final recommendations, including a  
20 proposal for legislation to implement the recommendations, by  
21 December 31, 2013.

22 Sec. 4. EFFECTIVE DATE. The following provisions of this  
23 Act take effect July 1, 2015:

24 1. The section of this Act amending section 4.1, subsection  
25 9.

26 2. The section of this Act repealing chapter 312.

27 EXPLANATION

28 This bill strikes the current rule of construction for the  
29 terms "highway" and "road" applicable to Iowa law and defines  
30 "highway" to mean a major thoroughfare between two communities.  
31 The bill also repeals Code chapter 312, which creates the road  
32 use tax fund and contains provisions relating to the allocation  
33 of funds from the road use tax fund. The definitional change  
34 and the Code chapter repeal are effective July 1, 2015.

35 The bill requires the legislative council to establish a

S.F. 2088

1 study committee for the 2012 and 2013 legislative interims to  
2 identify issues relating to the current use of moneys in the  
3 road use tax fund and to consider options for addressing those  
4 issues. The committee is required to report its preliminary  
5 findings and recommendations to the general assembly by  
6 December 31, 2012, and make a final report to the general  
7 assembly by December 31, 2013. The final report shall include  
8 a proposal for legislation to implement the recommendations of  
9 the committee.